Price

Year	Price of highest grade of coal Rs./Tonne	Price of lowest grade of coal Rs./Tonne	Price of lowest grade of coal expressed as % of price of highest grade of coal
1975	100.80	37.90	37.60
2004	2960.00	290.00	9.80
% increased during last 29 years	2836.51	665.17	

Royalty

year	Rate of royalty for highest grade of coal Rs./Tonne	Rate of royalty for lowest grade of coal Rs./Tonne	Rate of royalty for lowest grade of coal expressed as % of rate of Royalty of highest grade of coal
1975	5.00	2.00	40.00
2004	250.00	65.00	26.00
% of Royalty increased during last 29 years	4900.00	3150.00	

(b) From the statement referred to in part (A) above, it is observed that where as the price of coal in respect of lowest grade of coal has increased by 665.17% during the period 1975 to 2004, the rate of royalty in case of lowest grade of coal has shown an increase of 3150% during the same period. As such the increase in the rate of royalty in respect of the lowest grade of coal is much more than increase in the price of coal in the same grade during the period from 1975 to 2004.

Import of coal

2231. SHRI KARNENDU BHATTACHARJEE: Will the Minister of COAL be pleased to state:

(a) whether it is a fact that coal industry has become an ailing industry and as such coal is being required to be imported from other countries;

(b) if so, the reasons therefor;

(c) whether any steps are being considered to improve the functioning of the industry; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO): (a) and (b) So far as Coal India Limited (CIL) is concerned, all the subsidiary companies except Eastern Coalfield Limited (ECL) and Bharat Coking Coal Limited (BCCL) are earning profit. These two loss making companies, *i.e.*, ECL and BCCL are having negative networth and have been declared sick by the Board of Industrial and Financial Reconstruction (BIFR). Despite the above, CIL has been achieving more than its Annual Action Plan (AAP) target of production and off-take of coal over the year. It is a fact there is a demand-supply gap in coal availability in the country, though the nationalized coal companies are making continuous efforts to enhance production of coal.

Import of coal from other countries is being resorted to primarily for reasons of quality arising out of limited availability of superior grade coking and non-coking coal indigenously. Other major reasons for import of coal are environmental considerations and consideration of location specific landed cost as Indian Coal, in general, contains high ash content and requires haulage over long distances necessitating larger freight costs.

(c) and (d) CIL and its subsidiaries are in constant endeavour to improve their performance in the areas of production, productivity, welfare of employees etc. However, for ECL and BCCL, which have been referred to BIFR, two separate rehabilitation schemes for revival of these two subsidiaries have been submitted to BIFR. BIFR has already approved the revival plan of ECL. The Revival Plans for ECL and BCCL envisage positive net worth by 2008-09 and 2011-12 respectively.

Selling of coal by private parties

2232. SHRI LALIT SURI: Will the Minister of COAL be pleased to state:

(a) whether there is any proposal under Government's consideration to allow private parties to sell coal in retail; and

(b) if so, the details thereof and by when it is likely to be finalized and implemented?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO): (a) and (b) In order to increase coal production in the country and to attract private investment in coal mining sector, the Central Government has decided to amend the Coal Mines (Nationalisation) Act, 1973.